



HOLE IN THE WALL

HOLE IN THE WALL SHARE BLOCK LIMITED
(REG NO: 1983/60155/06)

AGM: 24 NOVEMBER 2016
ANNUAL REPORT: DECEMBER 2015

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HOLE IN THE WALL SHARE BLOCK LIMITED

(Registration No. 1983/060155/06)

Directors: HM Adams, J Baker, R Cominelli, K Farren, SJ Lamont, S Lang, AN Ridl, B Thomas

1 November 2016

NOTICE TO SHARE HOLDERS

PLEASE TAKE NOTE

THE ANNUAL GENERAL MEETING
OF HOLE IN THE WALL SHARE BLOCK LIMITED WILL TAKE PLACE ON, *AFTER WHICH A GENERAL
MEETING WILL BE HELD:*

DATE: **THURSDAY, 24 NOVEMBER 2016**

VENUE: **CLUB LEISURE GROUP
1 CROMPTON STREET
PINETOWN**

TIME: **14H00**


J Jordaan
Director

FIRST RESORTS AND HOTEL MANAGEMENT (PTY) LTD



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HOLE IN THE WALL SHARE BLOCK LIMITED
(Registration No.: 1983/060155/06)

DIRECTORS

HM Adams
J Baker
R Cominelli
K Farren
SJ Lamont
S Lang
AN Ridl
B Thomas

MANAGING AGENTS AND COMPANY SECRETARIES

First Resorts and Hotel Management (Pty) Ltd
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PINETOWN
3610

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3600

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AUDITORS

Hugh Strickland and Company
Nelson Mandela Drive
Port Shepstone
4260

BANKERS

Nedbank
Corporate Client Services

Hole In The Wall Share Block Limited

Reg No 1983/060155/06

INDEX TO ANNUAL REPORT 2015

	PAGE NO
For your information we enclose the following documents:	
1. Notice and Agenda for the Meeting	3 - 4
2. Explanatory Notes of the Meeting Notice and Agenda	5
3. Minutes of the Annual General Meeting held on 9 December 2015	6 - 16
4. Chairman's Report	17 - 18
5. Social and Ethics Committee Report	19
6. Audited Financial Statements for the year ended 31 December 2015	20 - 38
7. Insurance Summary	39
8. Levy Budget for the year ending 31 December 2017	40 - 43
9. Calendar 2017	44
10. Credit Card Facility	46
11. Owner Contact Details Form	48
12. Nomination form for Directorship	50
13. Form of Proxy	52 - 53
14. CSOS Letter	54 - 56
15. General Meeting	57 - 62

HOLE IN THE WALL SHARE BLOCK LIMITED

(Registration No: 1983/060155/06)

NOTICE is hereby given that an Annual General Meeting of Shareholders of Hole in the Wall Share Block Limited will be held at Club Leisure Group, 1 Crompton Street, Pinetown
on **Thursday, 24 November 2016 at 14h00,**
whereafter a General Meeting will be held

AGENDA

1. Welcome
2. Notice of Meeting
3. Attendance, proxies and apologies
4. Establishment of Quorum
5. Appointment of Chairman
6. Presentation of Minutes of Annual General Meeting held on 9 December 2015
7. Matters arising from the Minutes
8. Presentation of Chairman's Report and Social and Ethics Report
9. Presentation of Audited Annual Financial Statements, together with the Directors' Report, the Auditors' Report and the Audit Committee Report, in respect of the year ended 31 December 2015
10. Approval of Auditor's remuneration
11. Appointment of Auditors for the financial year ending 31 December 2016
12. To determine the number of Directors for the ensuing year
13. Election of Directors
Messrs J Baker, K Farren, S Lang and B Thomas retire by rotation but being eligible, they offer themselves for re-election. Election of Directors to be considered with other nominations submitted, if any.

14. Appointment of Audit Committee

Three Directors of the Company for appointment to the Company's Audit Committee

15. Presentation and acceptance of Insurance Values, subject to any amendment

16. Presentation and acceptance of the estimate of Income and Expenditure for the year ending 31 December 2017

17. Interest rate charged on arrear levies

18. General

- a. Community Schemes Ombud Services ACT 9 OF 2011 (CSOS) and Sectional Title Schemes Management ACT 8 OF 2011 (STSMA)

19. General Meeting



BY ORDER OF THE BOARD

First Resorts and Hotel Management (Pty) Ltd

Per: J Jordaan

Pinetown, 1 November 2016

NOTES:

1. A member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company.
The proxy form attached hereto must be completed and received at the registered office of the Company at least 48 (FORTY EIGHT) hours before the scheduled commencement time of the meeting.
2. In terms of the Companies Act, 2008 the participants in the meeting – Members or their Proxy – must provide reasonably satisfactory identification before being entitled to attend or participate in the meeting. Forms of identification include a valid identity document, driver's licence or passport.

EXPLANATORY NOTES OF THE MEETING NOTICE AND AGENDA

1. Record Date

The record date set by the Board in terms of *Section 59(1)* of the Companies Act, which is the date on which the Company's security register is closed for the purpose of determining which members are entitled to receive this Notice, and to participate in and vote at this Annual General Meeting is 2 November 2016.

2. Proxies

In terms of *Section 58* of the Companies Act, each member of the Company entitled to attend and vote at this Annual General Meeting, is entitled to appoint a proxy to attend, participate and vote at the Annual General Meeting in the place of the member.

A proxy need not be a member of the Company.

Further information regarding proxies, including a proxy form, is included in the Annual Report.

3. Identification

In terms of *Section 62(1)* of the Companies Act, members or their proxy must provide reasonably satisfactory identification before attending and participating in the Annual General Meeting, and the person presiding at the Annual General Meeting must be reasonably satisfied that the right of a person to participate and vote has been reasonably verified, before they will be permitted to so participate and vote.

4. Chairman

In terms of the MOI, the Chairman of the Board of Directors shall preside at the Annual General Meeting.

If the Chairman is not present, or is unwilling to preside, one of the Directors present will chair the Annual General Meeting.

5. Quorum

In accordance with the Company's MOI, the quorum for an Annual General Meeting is 3 persons representing 1% of the share capital.

6. Voting

6.1 Ordinary Resolution

In terms of the Company's MOI, 50% (Fifty Percent) of the votes cast on an ordinary resolution by members present or represented and voting at the Annual General Meeting in favour of the ordinary resolution, are required for it to be adopted.

6.2 Special Resolution

In terms of the Company's MOI, 75% (Seventy Five Percent) of the votes cast on a special resolution by members present or represented and voting at the Annual General Meeting in favour of the special resolution, are required for it to be adopted.

7. Directors

In terms of the Company's MOI, Directors serve a two year term thus the longest serving of the Directors retire each year, with the remaining Directors continuing in office. Retiring Directors are eligible for re-election.

8. Nomination of Directors

As part of the Annual Report, is the form for the nomination of individuals for election as Directors of the Company at the Annual General Meeting. Details regarding the delivery of completed nomination forms are set out on the form itself.

Directors nominated must sign their consent to be *nominated*, and if *elected*, for the election to be effective, must deliver to the Company their consent in writing to serve the Company as a Director. *Section 66 (7) (b)*.

9. Remuneration of Directors

In accordance with *Section 66(9)* of the Companies Act, any remuneration of the Directors must be approved by the members at the Annual General Meeting by Special Resolution.

HOLE IN THE WALL SHARE BLOCK LTD

Registration No. 1983/060155/06

MINUTES OF THE ANNUAL GENERAL MEETING

HELD AT CLUB LEISURE GROUP, 1 CROMPTON STREET, PINETOWN

ON WEDNESDAY, 9 DECEMBER 2015 AT 14H00

PRESENT:

Mr H M Adams

Mr K Farren

Mr S J Lamont In the Chair

Mr A N Ridl

Mr B Thomas

Mr J Baker

Members present as per the attendance register:

D and M J le Roux

P and V Williamson

D Gait

Peter and Pat Ivins

C Worthmann

M Webber

A Wetherill

R and P Fraser

IN ATTENDANCE:

Representing First Resorts and Hotel Management (Pty) Ltd

Mr J J Jordaan

Mrs J H Jordaan

Mr J Mey

Mr M Hanekom

Ms F Lingard

1. WELCOME

Mr S J Lamont welcomed all present and stated that he was anticipating fruitful discussion with some positive outcomes. Mr S J Lamont requested the meeting to contain queries to the topic under discussion, with further queries being dealt with under item 18 of the agenda.

2. NOTICE OF MEETING

It was unanimously agreed that the notice of the meeting, having been circulated, be taken as read.

3. ATTENDANCE, PROXIES AND APOLOGIES

The Managing Agent tabled 8 proxies: 1 proxy in favour of Mr S J Lamont, 1 proxy in favour Mr A N Ridl, 1 proxy in favour of Mr H M Adams, 3 proxies in favour of Ms D Gait, 1 proxy in favour of Mr J Baker, and 1 proxy in favour of Mr S Worthmann, totalling 13,141 shares, which had been received within the prescribed time. Ms R Fraser advised that Ms Jacqueline Fraser had emailed her proxy, in favour of Ms R Fraser, a copy of which was available from Ms R Fraser. The meeting accepted the proxy.

Apologies were recorded from Ms R Cominelli, Mr T Fletcher, Mr H and Mrs H Harley.

4. ESTABLISHMENT OF A QUORUM

Mr J J Jordaan confirmed that a quorum was present and declared the meeting properly constituted.

5. APPOINTMENT OF CHAIRMAN

Mr S J Lamont, the Chairman of the Board of Directors, was unanimously elected to Chair the meeting.

6. PRESENTATION OF THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 5 FEBRUARY 2015

The Chairman enquired whether the minutes were a fair transcription of proceedings and if not, those members present at the meeting held on 5 February 2015 needed to inform the Chairman as to what was

required to amend the minutes. Ms D Gait objected to the minutes presented, stating that not all complaints had been recorded. Mr P Ivins and Ms Gait requested accurate minutes, minutes which are “not made-up to look pretty”. The Chairman commented that it was normal practice not to add matters which are not business of the day but should the meeting so require, then he was happy to do so and requested which items needed to be added. Ms D Gait listed the following as items which should have been included in the minutes:

- Security – the armed robbery at the resort;
- Security guards – the poor performance of personnel.

The Managing Agent pointed out that AGM minutes are published on the Hole-in-the-Wall website, a public domain accessed by prospective guests to the resort – positive and negative aspects of the destination being equally viewed. Ms Gait enquired whether this aspect was the purpose of the meeting or whether it was to see if the resort was properly run. Mr M Webber pointed out that progress on problematic issues raised, would no doubt be similarly published. Ms Gait commented that she believed no solutions had been found to a lot of problems raised previously which, and , combined with not all discussions being listed in the minutes, added to the frustration of the meeting. The Chairman proposed that the Managing Agent list all issues raised as an amendment to the minutes. This could be discussed under item 18 of the Agenda for this meeting. The meeting agreed to this proposal.

Amendments

List of issues raised:

- a. Armed robbery at Hole in the Wall – to be discussed under matters arising in Paragraph 7 below
- b. Lack of proper access control – suggestions were the use of wrist bands and sign-in register
- c. Poor management of staff
- d. Variations in budget expenses. Increases in printing and stationery, staff uniforms, maintenance, Eliminating unnecessary expenses would help in containing the budget
- e. General poor maintenance – doors not locking and rusted windows cannot be opened
- f. Explanation of the changing face of the timeshare industry
- g. Budget expenses. The dissatisfaction about the inclusion of certain expenses which some felt were unnecessary and were for the benefit of time share.

Ordinary Resolution No. 1

Resolved that:

The Minutes of the Annual General Meeting of the Company held on 5 February 2015, as amended, be and are hereby, accepted.

Proposed: Ms D Gait

Seconded: Mr P Ivins

7. MATTERS ARISING FROM THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 5 FEBRUARY 2015

- Security / access top and bottom gates

Mr J J Jordaan explained that additional cameras had been installed at the pool area and cash on hand was kept to a minimum. The meeting requested the Board to resolve the security problem as the meeting did not necessarily have the solution. Ms Gait commented that surely it was possible for the Managing Agent to discern the difference between hikers and locals moving around in the resort, locals who could be assisting with an attack at the resort and commented “What rubbish - what rubbish”. The Chairman asked Ms Gait not to get aggressive. Ms Gait suggested the use of an access register. The Managing Agent explained the pitfalls of a register system in his experience. An option was offered in the form of an entry deposit system. It was pointed out that unfortunately, Drakensberg Gardens who utilise this system had to deal with theft of deposit money.

The Chairman acknowledged that the Managing Agent is required to improve on the situation but noted that the Managing Agent was doing their best with the quality of security staff available to them. Mr J J Jordaan was instructed to inform management that shareholders are very unhappy with the current level of security and required that the situation be improved.

On a query from the floor Mr S J Lamont explained the details of the attack to the extent that the armed assailants had walked in from the front of the resort, at night, as the bar was closing. The robbers knew

13. ELECTION OF DIRECTORS

Mr H M Adams, Mr A N Ridl, Mr S J Lamont and Ms R Cominelli retired by rotation but being eligible, they offered themselves for re-election. Nominations were received for Mr H M Adams, Mr A N Ridl, Mr S J Lamont, Ms R Cominelli, Ms D Gait, Mr J Davison and Mr S Worthmann. As four seats were vacant and seven nominations had been received, it was resolved to elect the Directors by means of a poll. The Chairman requested the Managing Agent to prepare the voting papers.

Whilst this was being attended to the meeting progressed as per the Agenda.

After a period of time, the Managing Agent indicated that the results of the poll had been calculated. The results of the poll with the highest number of votes were recorded for Ms R Cominelli, Mr H M Adams, Mr S J Lamont, and Mr A N Ridl.

The Managing Agent explained that votes are calculated on the number of shares held by a nominee. The proxies held between Mr A N Ridl and Mr S J Lamont totalled over 12,200 votes against 1,676 votes.

Mrs R Fraser requested that it be recorded that voters present were not happy with the outcome as they wanted people on the Board who would do more than hold the directorship by virtue of their ownership of shares. Mr M Webber and Mr P Ivins agreed that each Director's representation should have been more clearly explained earlier in the meeting. The Chairman stated that first and foremost, Directors represent the Company and the shareholders who had appointed said Director. It is difficult to say which entity each Director represents, explaining that the proxies he, the Chairman, held, had been received from outright owners, timeshare and hotel.

Mr P Ivins wanted to know who Mr K Farren represented. Mr Farren advised that he is an outright owner and has operated as a representative of all entities at the resort, having solved problems benefiting each entity.

Mrs M le Roux stated that perhaps one or two directors should stand down to allow stronger people on the Board who had more "go in them". Mr H M Adams informed the meeting that the term of service for Directors was two years, this being a rotational Board.

Ms D Gait enquired why the majority shareholders on the Board felt it necessary to call an Annual General Meeting and why bother to ask attendees to vote when the existing Directors knew full well that they would be voted back on the Board. Ms D Gait queried "What the hell are we here for – you have wasted my day, and you really don't want us here anyway". "Why the hell did you invite the rest of us owners to come?"

Ms D Gait stated that this was disgusting and queried why the Chairman's wife was on the Board. The Chairman explained that Ms R Cominelli had vast experience in the timeshare industry, having developed 12 timeshare resorts in South Africa. Ms D Gait commented that it would have been wonderful for Ms R Cominelli to have attended the meeting and described Ms R Cominelli as a silent vote.

Mr J J Jordaan stated that he understood Ms D Gait's disappointment and explained that should Ms D Gait want a representative Board then this would require that 93% of the Board should then be from those owning 93% of the shareholding of the Company. The balance of the representation is for the remaining 7% of ownership – this equates to 0.6% of a person. Ms D Gait stated "this is an absolute whitewash and the biggest load of rubbish, it is ridiculous, you are all involved with each other, it is ridiculous".

The Chairman rejected this comment and asked Ms D Gait to apologise. Ms D Gait responded that, by virtue of his shareholding, the Chairman could override any decision by shareholders. Secondly, Ms D Gait advised that the private details of all shareholders had not been made available to her - this would have enabled her to contact owners to rally support at the meeting. Mr H M Adams commented that in terms of the Protection of Personal Information Act (POPI), the Company was not at liberty to provide Ms D Gait with this information. The Managing Agent enquired whether Ms D Gait would mind if the Managing Agent circulated all her details to anybody who requested this information.

Ms D Gait further stated that she felt it was despicable that the Board did not allow individual owners to have their say. The Chairman replied that these owners do have representation on the Board. Ms D Gait advised that Mr J Baker had stated that he needed more backing on the Board. The Chairman and Managing Agent asked Mr J Baker if he had not been provided with all information and assistance requested by him.

Mr M Webber stated that his concern, as an outright owner, was his high levy and the value of his week. He was at the meeting only to consider these two issues and that having confidence in the Board would allay these concerns. The Chairman acknowledged these concerns, stating that the Board was doing their best to provide good services, including maintenance, laundry, security and other services to ensure that the resort was up to scratch, including directing the Managing Agent to run a first-class resort. The Managing Agent has to ensure that the hotel provides quality service and good quality food and so provide the resort with a good reputation in the market place. The Chairman stated that the more the resort is advertised and promoted, the greater the value of investment to be gained by individual shareholders. The Chairman reported that the resort, according to surveys, was recording improved ratings by Flexi Club members. The Chairman stated that it was the Board's responsibility to protect the integrity of the shareholders' investments.

Ms M le Roux requested "new blood" on the Board. Ms D Gait believed that to resolve the situation would be to add one more person to the Board, Mr S Worthmann. Mr B Thomas commented that he would be happy to step down. The Chairman stated that the existing eight directors were sufficient to serve on the Board and welcomed Mr S Worthmann and Mr M Webber to attend the next two Board meetings and suggested that Mr S Worthmann and Mr M Webber report back to shareholders on their findings.

Mr M Webber expressed concern that the levies had doubled in the past two years, to which the Chairman pointed out that electricity charges had increased by 25%, salaries had increased, running costs were more expensive, security costs had also increased, these being items beyond the Board's control. The Chairman asked the meeting for suggestions as to where costs could be reduced, but that it should be borne in mind that there would be a responsibility to be shouldered for the fall-out of reduction in essential services. The sewerage system, a historical problem, had been installed and services had improved. Ms D Gait did not agree as the windows are still not shutting in units and said the manager sits behind his computer doing nothing.

Mr S Worthmann commented that ideally everybody wants trust in the Board and over the two years which First Resorts had been managing the resort, the levies had more than doubled and the services had not changed significantly. This creates an area of distrust. Mr S Worthmann added that he believed that he needed to become involved to try and sort things out, as there was no knowing how many years the levies would be doubled. This would be a serious problem and owners would be pushed out of the resort. Mr S Worthmann posed the question as to the real motivation behind high levy increases – "was it to get rid of some people?" The Managing Agent pointed out that the contained proposed increase in this year's budget was surely indicative of the current situation.

Ordinary Resolution No. 6

Resolved that:

The election of Mr S J Lamont, Mr A N Ridl, Mr H M Adams and Ms R Cominelli as Directors of the Company be approved by a single resolution.

Further Resolved that:

Mr S J Lamont, Mr A N Ridl, Mr H M Adams and Ms R Cominelli be, and are hereby, elected as Directors of the Company.

The Directors serving the Company for the ensuing year will be Mr H M Adams, Mr S J Lamont, Mr A N Ridl, Ms R Cominelli, Mr S Lang, Mr K Farren, Mr B Thomas and Mr J Baker.

14. APPOINTMENT OF AUDIT COMMITTEE

Ordinary Resolution No. 7

Resolved that:

Mr H M Adams, Mr B Thomas and Mr J Baker be, and are hereby, elected as Members of the Company's Audit Committee for the ensuing year.

15. PRESENTATION AND ACCEPTANCE OF INSURANCE VALUES, SUBJECT TO ANY AMENDMENT

The Managing Agent circulated copies of the insurance policy and insurance schedule to shareholders who had indicated that they required a copy. The Chairman pointed out that should owners feel that they required additional insurance, this would be acceptable, with the increase in premium being payable by the owner in question.

Ordinary Resolution No 8

Resolved that:

The Schedule of Insurance Values be, and is hereby, accepted without amendment.

16. PRESENTATION AND ACCEPTANCE OF THE ESTIMATE OF INCOME AND EXPENDITURE IN RESPECT OF THE YEAR ENDING 31 DECEMBER 2016

Notwithstanding the sequence of events above, this item on the Agenda was discussed ahead of the election of Directors and Audit Committee so as to afford time to conduct the poll and thereby not hold up the meeting.

- Ms D Gait advised that she could not approve the budget. In addition to Ms D Gait's concerns below, Ms D Gait advised that the budget columns on Page 1 did not add up. Mrs J H Jordaan explained that the Excel spreadsheet does total accurately but that two columns were hidden in the printed sheet.
- Ms D Gait asked why timeshare was paying for advertising whereas the hotel does not. It was explained that the hotel has its own budget for this expense. Furthermore, not all hotel expenses were reflected as the hotel has its own budget. Only the hotel's share of common costs was reflected in this budget.
- Mr P Fraser queried the figures for use service for timeshare. Mr P Fraser deduced that there is the same amount of accommodation in the hotel as in the timeshare. It was explained to Mr P Fraser that this is not the case. Mr P Fraser stated that the timeshare is being "ripped off" as when he was visiting the resort the hotel had as many guests as the timeshare and he believed that the costs should be split 50/50. The Chairman cautioned Mr P Fraser to be sure of his facts and commented that the meeting was being recorded. The Chairman invited Mr P Fraser to sit down with the Managing Agent to examine the facts. Mrs R Fraser informed the Chairman that Mr P Fraser was not talking nonsense. Mr P Fraser stated that the budget was inequitable for the timeshare in relation to the hotel.
- Mrs J H Jordaan explained that the electricity costs were apportioned per bed occupancy. It was noted that the allocation was incorrect and needed to be adjusted. After discussion the meeting agreed that the use of separate meters would solve the problem of fair allocation. Mr S Worthmann proposed that separate meters be installed and that the top supply point behind Bayview becomes the main supply for all those units which are individually metered, with three supply points into the resort which would make it easy to measure. The proposal was seconded by Mr S J Lamont and the meeting resolved to install electricity meters without delay. Mr J J Jordaan assured Mrs M le Roux that owners with their own separate electricity supply would be incorporated into the system. Mr S Worthmann advised that he would be happy to provide the specifications for the meters. The Chairman mentioned that after a period of time, the expenses could be adjusted and savings, if any, could be credited to the replacement reserve of the relevant entity.
- Ms D Gait queried why timeshare needed to pay for advertising. Mr J J Jordaan explained that this was a way to try and fill the unoccupied units. Ms D Gait further queried why the outright owners were paying for advertising, to which Mr J J Jordaan advised that there are owners who rent out their units. Ms D Gait stated that surely they should be paying for their own advertising and why should she, as a timeshare person pay for others to make money. It was explained to Ms D Gait that 7.6% of weeks are owned by individual owners like Ms D Gait. 93% of the weeks are owned by Clubs who pay for the bulk of this expense through their levies. Mr J J Jordaan stated that this equates to 65 non-Club owners who will each pay approximately R33 per year for advertising. Ms D Gait commented that this was not fair as Clubs would get preference when renting out their stock. The Chairman stated that the situation is a collective situation and what is good for one entity is good for the other – the issue is more than Ms D Gait's self-centred interest in her one week. Ms D Gait warned the Chairman that he needed to be careful of what he was saying, as the meeting was being recorded. The Chairman commented that he wanted a fair solution for all but a decision needs to be based on a majority vote. Mr M Webber

commented that he believed that timeshare owners, including the Clubs were being unfairly charged for advertising. The Chairman stated that Directors felt that it was prudent and proper to advertise the resort in the best interest of all shareholders. Mr M Webber stated that he respected this comment and believed that the apportionment of costs for advertising was a matter of attitude and requested that his comments be recorded. The meeting agreed that decisions should be democratic and transparent. The Chairman apologised for shouting. The apology was accepted.

- Mr B Thomas commented that the compilation of the budget was very complex – the Audit Committee, including himself and Mr J Baker, and the Managing Agent had sat for three days examining every line item of the budget. Mr B Thomas mentioned that various methods had been used to allocate the splits, those being based on participation quota, bed number and Rand value of the expense. It was acknowledged that the budget still needed “fine-tuning” with regard to the splits per entity. The meeting agreed that a budget review committee be established to examine the splits – the meeting elected Mr J Baker, Mr B Thomas, Mr H M Adams, Mr P Fraser, Mr S Worthmann, and Ms D Gait. Mr J Baker was elected Chairman of the budget review committee.
- The Managing Agent advised that the five-year plan would be distributed to shareholders.

Ordinary Resolution No 8

Resolved that:

The estimate of Income and Expenditure for the year ending 31 December 2016 be, and is hereby, approved subject to amendments being made during the year. The budget review committee will report back on this budget at the 2016 Annual General Meeting which is expected to be held earlier in the year.

17. INTEREST RATE CHARGED ON ARREAR LEVIES

The Shareholders considered the interest rate charged on arrear levies. It was noted that owners paying monthly levies on a monthly basis would have made this arrangement with the Managing Agent. Should the monthly instalment not be paid, then the interest on arrear levies would be applied.

Ordinary Resolution No 9

Resolved that:

The interest rate on arrear levies be charged at 1% per month after ninety days.

18. GENERAL

18.1 Grass cutting for outright owners

Mrs M le Roux advised that the grass was never cut and was hastily done only if the gardeners had fuel and if they knew that the outright owners would be occupying their homes. Mrs M le Roux stated that the gardeners expected outright owners to pay for the service. Mr J J Jordaan introduced Mr J Mey, the newly appointed Regional Manager, and advised that the instruction is that when the resort is mowed, outright owners will have lawns around their houses mowed whether owners were in occupation or not.

18.2 Sewerage

Mrs M le Roux advised that the sewerage to her house has its own septic tank. Mr J J Jordaan advised that Mrs M le Roux's property would be connected to the communal system.

18.3 Installation of television sets

Mr J J Jordaan advised that timeshare units had no televisions installed and advised that there is a provision in the budget for installation in the forthcoming year.

18.4 Apportionment of levy

Ms D Gait enquired why her levy for an eight-sleeper unit was not the same as someone else with a similar unit for the same period. Mr J J Jordaan advised that levies are calculated on the square meterage of each unit.

18.5 Changes in the Sectional Titles Act

The Chairman stated that changes are soon to become law in the Act where financial splits are based on participation quota. In addition, the draft white paper requires that every communal structure has to build a reserve equal to one years' levy – this reserve would be built up by setting aside levies until the reserve

equals the annual levy. A ten-year plan would also have to be submitted to owners at an Annual General Meeting and the plan has to indicate how the reserve fund would be allocated over the ten year period.

18.6 Water filtration system

Mr J J Jordaan advised that a sophisticated water purification plant would be installed at the resort early in the new year. The contract for the installation of the system includes a maintenance plan with the supplier. Mr J J Jordaan explained that the special levy which had been paid during the period under management by VRS was for the upgrade. The amount of R1.1 million for the project was in actual fact R670,000 special levy with the balance being funded out of the replacement reserve. Through savings and building up the replacement reserve, it was possible to fund the filtration system without requesting an additional contribution from shareholders.

18.7 Franchise

Mrs M le Roux suggested that the Board consider inviting a restaurant franchise to the resort. The meeting rejected the idea.

18.8 Kei apple hedge

Mr P Ivins informed the meeting that the hedge had not been correctly planted and maintained. Mr P Ivins suggested that proper holes be dug with proper soil and compost being applied. The Managing Agent advised that this would be looked into.

18.9 Bakkie Sakkie

Mr P Ivins was concerned that the bakkie sakkie would not be functional when required. The Managing Agent advised that the set-up had been tested and could confirm that the bakkie sakkie did start after a while. Mr J Mey advised that he was putting a testing programme for weekly checks as opposed to monthly checks. A register and operating manual are in place. Mr J Mey would be inspecting the hose reel requirements. The meeting expressed surprise that the insurers had not imposed restrictions. Ms D Gait reported that she had fortunately been on hand with her family to fight a fire –the staff eventually arrived half an hour later to assist with containing the fire. Ms D Gait reported that this was a veld fire which “nearly burnt down Duncan Place” and “if I had not been there at the time, the place would have burnt down”.

18.10 Washlines

Mrs M le Roux mentioned that the wash lines behind the hotel rooms had been taken away. People are now hanging washing over the balconies and on the grass. Mrs M le Roux suggested that laaitjie shelter be installed near her area on the hill to contain the wash lines. The Managing advised that this would be looked into.

18.11 Internal road

The new road which has been put in recently was a temporary road which provides access to those units past Mr J Baker's unit. The road is not helpful when it rains. The Chairman advised that there was a basic infrastructure fault as the previous developer should have developed the property with the necessary roads. The resort was only half developed, which poses its own problems.

18.12 Informal committee of outright owners

The Chairman reported that some months ago, the Board had been told that an informal committee of outright owners had been formed to investigate the operations and activities of the Managing Agent. To this end the informal committee instructed an independent firm of auditors, BDO, to conduct a forensic investigation into the 2013 and 2014 financial accounts at the Managing Agent's offices. After consulting the Company's auditor Hugh Strickland & Co, and having initially spent two days at the Managing Agent's office and further time thereafter during which this firm posed many questions, and went through the books and records, BDO produced its report. This report was sent to the informal committee. The Board, on several occasions requested the names of the members of this group. The only response was that the group was being led by Ms S Harley. The Board has not seen the audit report by BDO. The Board is therefore unaware of the outcome of the audit or the auditors' recommendations. However, the Chairman advised, Ms S Harley continues to write letters and make telephone calls to the Managing Agent's accounts department

and asks for all kinds of information. Initially, in the interests of being transparent, the Board and Managing Agent were happy to provide whatever information Ms S Harley required. The matter has now become ridiculous and just recently a request had been received for the details of all the salaries and wages paid to staff. The Managing Agent's accountant brought this request to the Chairman. The Chairman decided that this was confidential information and it was not necessary for an individual shareholder representing a committee of unknown owners to have access to this information. The Chairman declined to provide this information. Subsequent to this, further requests were received from Ms S Harley to provide details of VAT payments made to SARS and various other requests. These requests were made directly to the accounts department of the Managing Agent and not through the Board. The Chairman has instructed the Managing Agent to address a letter to Ms S Harley and the outright owners informal committee requesting Ms S Harley to address all her requests to the Chairman of the Board. The Board would then deal with those issues accordingly. The Chairman stated that he believed it inappropriate for a single shareholder to conduct an individual witch hunt and continue to harass the accountants and accounts department of First Resorts. The Chairman informed the meeting that he would not allow this behaviour to continue. This was demoralising for staff and created a lot of tension. The Chairman stated that he believed that it was appropriate to bring this matter to the attention of the meeting so that everybody could be made aware of the Board's attitude towards this sort of approach. The Chairman enquired whether anyone attending the meeting was a member of this informal and independent group of outright owners headed up by Ms S Harley.

It was stated that everybody at the previous Annual General Meeting and at this Annual General Meeting were all involved with this committee.

The Chairman advised that from the Board's point of view this action was highly irregular and since the forensic audit has been carried out, at least the committee should report to the Board and so enable the Board to take the matter up with the Managing Agent and its staff.

Mrs M le Roux stated that this was the "pot calling the kettle black". As experienced today, the owners present did not have a say on the Board, owing to the majority shareholding of the Board members, and likewise with Ms S Harley and her husband who "own a lot of shares", so too does this situation apply to the informal committee.

Mr P Fraser stated that everyone was very unhappy and, with the doubling of the levies, shareholders at the meeting were very suspicious and therefore contributed towards the audit.

The Managing Agent informed the meeting that several invitations had been issued to Ms S Harley to visit the offices, as Mr J J Jordaan was not happy to photocopy confidential information and circulate same through the post. Mr J J Jordaan has offered the services of his senior accountants to sit with Ms S Harley, as was done with the auditors, BDO, and to give her all the information she required. Ms S Harley has not accepted this invitation.

Mr M Webber commented that he was not one of the committee but would most probably have joined the informal committee if he had been at the meeting. This being the first meeting he had attended in thirty years, Mr M Webber commented that there appear to be a lot of unanswered questions and suggested that the Chairman as a representative of the share block company takes the situation seriously by investigating the queries and goes about appeasing people like himself who have concerns.

The Chairman agreed that this was important and stated that under normal circumstances, a shareholder requesting a forensic audit would not be entertained by a Board of Directors. This was highly improper but the Board, understanding the concerns of owners and the quantum of levies, allowed the audit to take place.

Mr S Worthmann pointed out that the audit conducted was not a forensic audit which is an entirely different situation. Mr H M Adams informed the meeting that when BDO arrived to conduct their audit, the audit committee, as well as the external auditor for the company were present and BDO informed all present that they were conducting a forensic audit. Mr S Worthmann advised that BDO had not been instructed to

conduct a forensic audit and this was a misrepresentation of their instructions. Mr S Worthmann further advised that he was in possession of the incomplete report submitted by BDO. BDO have subsequently been instructed by Ms S Harley and the informal committee to finalise the report.

18.13 Share register

Mr S Worthmann advised that Ms S Harley was in possession of three versions of the share register. Mr S Worthmann queried the share allocation procedure and the calculation of values of shares. Mr J J Jordaan advised that these shares would have been allocated when the timeshare development had been first initiated and further explained, referring to the share register, that an eight sleeper timeshare unit was allocated 8 shares, six sleeper was allocated 6 shares etc., with whole owners being allocated one share each for their unit. Mr S Worthmann wanted to know whether the share register was relevant in relation to value and that the share register held by First Resorts differed to the one held by CIPC. Mr H M Adams informed Mr S Worthmann that CIPC does not hold the share register and that the share register supplied to Ms Harley and the informal committee by BDO was not CIPC's share register. It was noted that to reallocate shares would require a 100% agreement from all shareholders which would need to be resolved at a Special General Meeting. The Chairman agreed that the share allocation did impact on voting results. Mr S Worthmann commented that it was in the best interests of the majority shareholder to sit on the current share structure as is.

It was suggested that each entity at the resort form its own sub-committee to identify areas of concern.

18.14 Surveyed plan

The Chairman explained that an investigation had been conducted into the layout plan of the resort as delineated by Mr S Lang, the developer at the time. This being a share block development, Mr S Lang had marked out certain plots with measurements and an official surveyor's plan had been issued with identifiable co-ordinates. Subsequently, the land surveyor had to take the original drawings to peg the entire resort. It has since been identified that some units have been built over the building line.

18.15 Sectional Title

The Chairman explained that a provision in the Share Blocks Control Act provides for the conversion from share block to sectional title, a complex process. The Chairman explained that the property is registered in the name of Dalinyebo, which is leased under title deed, terminating in 2083. The leased property is therefore not tribal land. Dalinyebo entered into a lease with the share block company. Dalinyebo had been taken over by Club Leisure Development.

18.16 Tarring of the road

The Chairman informed the meeting that there are plans to tar the road from Coffee Bay to the new hospital.

18.17 Boreholes

The Board was investigating resuscitating the existing boreholes. It was suggested that it may be cheaper to sink a new borehole.

18.18 Final comments by Mr J Baker

- It was noted that the five-year plan would be made available to shareholders;
- Security does not exist. Emphasis appears to be on jumping castles etc. Compliments may be received from timeshare guests who may only see the resort from time to time as opposed to owners who are more frequent visitors;
- Mr J Baker stated that since being appointed to the Board, two Directors had not attended Board meetings and Annual General Meetings. Three owners had indicated that they would like to participate on the Board. The Chairman requested Mr J Baker to broach the matter at the next Board meeting.
- The Chairman informed the meeting that Mr J Baker had invested considerable input in the best interests of the resort and any perceived impropriety would have been noted by Mr J Baker.

18.19 Final comments by Mr P Ivans

- Mr P Ivans reiterated the request that more detailed information be reported in the minutes of the meeting. Ms D Gait suggested that they need not be the same minutes as published on the website. Mr J J Jordaan advised that the minutes have to be the same.
- The Chairman reminded the meeting that the previous Annual General Meeting had been recorded and would be transcribed verbatim should the meeting so require. This would be a lengthy document and would be costly. Ms D Gait commented that there were sufficient funds in the printing and stationery budget to allow for this.
- After discussion, the meeting agreed that this was not necessary as an exact summary would be sufficient.

18.20 Final comments by Mrs R Fraser

- Mrs R Fraser wished it recorded that many owners are not happy and that the purpose of attending the meeting was to express dissatisfaction about certain matters. Mrs R Fraser believed that the meeting did not need to be told by the Chairman to be careful of what was said. Mrs R Fraser stated that her husband did not insult the Chairman and that Mr P Fraser is very competent at working with figures.
- The Chairman commented that he was happy with Mrs R Fraser's above remark but was not happy with unsubstantiated comments made by owners. The Chairman did not accept the comment that "someone is ripping someone off" and stated that he took exception to this and hoped that when Mr S Worthmann and Mr M Webber's findings prove that this is not the case, apologies would be forthcoming.

18.21 Final comments by Mrs M le Roux

- Mrs M le Roux wished to relate hearsay to the Board which is recorded as follows "shareholders were of the opinion that there is a very rich man at the top and what he wants to do is to make it impossible for people to be able to pay their levies and owners would have to abandon their units and therefore they would lose out".
- The rich man is purported to be Mr A N Ridl – Mr A N Ridl was not present in the meeting at this time.
- The Chairman commented "What rubbish".

18.22

There being no further business, the Chairman thanked everyone for their attendance and dissolved the meeting at 17h20.

Read and confirmed this _____ day of _____

CHAIRMAN

HOLE IN THE WALL SHAREBLOCK LIMITED

REGISTERED NO. 1983/060155/066

REPORT BY THE CHAIRMAN FOR FINANCIAL YEAR ENDED 31 DECEMBER 2015

As usual, a number of challenges have been encountered and overcome during the year.

The Resort Manager Dewet Muller managed various projects at the resort:

- Banister rail was installed onto the Bayview stair case.
- Calcamite system fully implemented and running.
- New water treatment plant installed to supply clean drinking water.
- Six more water tanks connected to the water treatment plant.
- New electrical cable laid to the laundry and workshops with new DB board.
- Wind sock installed at the informal Heli-pad and at beach gate.
- Units 21, 31 received new Aluminium sliding doors and windows.
- Unit 31 had extra door installed to comply with fire regulations.
- Administration block repainted.
- Bird cage moved next to farmyard.
- Workshop cleaned out and rubble removed.
- Fence constantly repaired to keep the stray dogs at bay.
- Herb garden restarted at back of kitchen for the restaurant.
- Vegetable fenced and replanted with new crops.
- Free WIFI tokens for 250Mb per guest implemented.
- Gate pillars built with lights at the back gate and new galvanised back gate installed with motor.
- Staff training done to improve service standards.
- Some units re-thatched and some repaired.
- New reception computer system installed to replace outdated equipment.
- Massive advertising drive started to promote the resort in the media and social media and marked improvement seen in occupancy levels as a result.

Future Major Projects

- New Laundry equipment to be installed to cope with the new demand.
- Kitchen equipment upgrade to improve standards.
- Aluminium sliding doors and windows to be installed in 9 units.
- Borehole commissioned as back up source of water for the resort.
- New stainless steel fence to be installed at the beach to make it more aesthetically pleasing.
- Environmental Guides to be trained to eliminate the harassment by the locals.
- Lifesaver to be trained and stationed at the resort.

The board is always mindful of its fiduciary duties and takes great care in carrying out these duties in the best interest of all its owners. All owners are invited to attend the AGM, where matters of common interest will be discussed. Should you not be able to attend in person, please do appoint a proxy to be present on your behalf.

I would like to extend a special word of thanks to the staff and my fellow Directors who contribute both of their time and knowledge to the successful administration and running of the resort.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'SJ Lamont', with a stylized flourish extending from the end.

SJ Lamont

CHAIRMAN

HOLE IN THE WALL SHARE BLOCK LIMITED

(Registration No.: 1983/060155/06)

REPORT BY THE CHAIR OF THE SOCIAL AND ETHICS COMMITTEE

The Committee comprises Messrs D Muller, K Farren and S Lang.

The Committee attends to matters relating to the Code of Conduct for the company which focuses on its mandate to ensure that the Company is ethically sound, socially sustainable and environmentally conscious. It also includes the duty to monitor the activities of the company, having regard to any relevant legislation, other legal requirements or prevailing Codes of Best Practices.

The Committee is obligated to report to the Shareholders at an Annual Shareholders Meeting regarding the execution of its mandate and activities.

The Committee is pleased to report that various initiatives have been launched / rekindled under the authority of the relevant departments, guided by the Code of Conduct for the Company. These relate to recruiting, training, health and safety responsibility and awareness, the ongoing monitoring of the eco-balance and influences on the habitat and fauna. The Committee and staff are ever mindful of our combined stewardship role relating to the preservation of the bio-diverse area in which the resort is situated and the long term sustainability of the assets and environment entrusted to all stakeholders, specifically including our members and guests who enjoy the privilege of utilising the Resort and environment.

The following initiatives were pursued and/or initiated in the past year.

Training: Standard Operating Procedures training sessions regarding Basic Procedures and Standardising have been presented to the staff, in conjunction with practical skills training sessions relating to the code and procedures. Opera and Micros training has been rolled out.

In addition, staff members have undergone training in the following areas: HIV/Aids Awareness, Rhino Army, Effective Communication, Inspiring your Team, IBR Systems, Basic HR and IR Knowledge, Excellence for Subordinates, Excellence for Management, and training in various hospitality initiatives.

Ethics: The Board consistently reviews the ethical standards of staff performance via a whistleblower policy and reviews the actions of the company with regard to its commercial dealings with third parties as well.

Social Sustainability: Sustainability is defined by the Brundtland Commission, 1987 as “meeting the needs of today without compromising the ability of future generations to meet their own needs”. All development projects and impacts on the environment are judged with this objective in mind. The Resort donated blankets, sheets and pillows to Zinkwali Mission Community Church to assist them with building a new church section.

As a result of the Board’s commitment to social empowerment, the resort provides 5000lt treated water daily to the local community after the installation of the new water treatment plant. A new water tank was installed with the co-operation of the local area chief and the area councillor.

Environmental Consciousness: Hole in the Wall Resort is very active in the local community and environment.

Beach volleyball teams are supplied with uniforms and balls. Donations of old linen were made to Mdedeleni JSS and Lower Mpako Primary school. Donations have been made to the local horse and animal welfare and staff are actively involved in the sterilization and vaccination drive. Soccer kits have been donated to the local soccer team. Beach clean-ups have been organized with the local lads and a Gillies development plan instituted to train some as environmental guides and life guards to man the station at the beach gate. Refuse is sorted into recycling bins for removal.

Shareholders to make contact with us or any of the members of the committee should there be any issues you wish to query or to bring to our confidential attention.

On Behalf of the

Social and Ethics Committee

Hole In The Wall Shareblock Limited
(Registration number 1983/060155/06)
Financial statements
for the year ended 31 December 2015

Hugh Strickland & Company
Chartered Accountant (SA)
Registered Auditor
Issued 29 August 2016

Hole In The Wall Shareblock Limited

(Registration number 1983/060155/06)

Financial Statements for the year ended 31 December 2015

Contents

The reports and statements set out below comprise the financial statements presented to the shareholders:

Index	Page
Audit Committee Report	2
Certificate by Company Secretary	3
Directors' Responsibilities and Approval	4
Independent Auditor's Report	5 - 6
Directors' Report	7
Statement of Financial Position	8
Levy Statement	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12 - 13
Notes to the Financial Statements	14 - 16

The following supplementary information does not form part of the financial statements and is unaudited:

Detailed Levy Statement	17
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Level of assurance

These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

Preparer

H Bhoola
AGA (SA)

Hole In The Wall Shareblock Limited

(Registration number 1983/060155/06)

Financial Statements for the year ended 31 December 2015

Audit Committee Report

1. Members of the Audit Committee

The members of the audit committee are all independent non-executive directors of company and include:

HM Adams
B Thomas
J Baker

The committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act of South Africa.

2. Meetings held by the Audit Committee

The audit committee performs the duties required by Section 94(7) of the Companies Act of South Africa by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditor.

3. External auditor

The committee satisfied itself through enquiry that the external auditor is independent as defined by the Companies Act of South Africa and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the auditor's that internal governance processes within the firm support and demonstrate the claim to independence.

The audit committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

4. Financial statements

Following the review of the financial statements the audit committee recommend board approval thereof.



HM Adams

29 August 2016

Hole In The Wall Shareblock Limited

(Registration number 1983/060155/06)

Financial Statements for the year ended 31 December 2015

Certificate by Company Secretary

I certify that the requirements as stated in section 88(2) (e) of the Companies Act of South Africa, as amended, have been met and that all returns, as required of a public company in terms of the aforementioned Act, have been submitted to the Companies and Intellectual Property Commission and that such returns are true, correct and up to date.



JH Jordaan

On behalf of First Resorts and Hotel Management Proprietary Limited

29 August 2016
Durban

Hole In The Wall Shareblock Limited

(Registration number 1983/060155/06)

Financial Statements for the year ended 31 December 2015

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor is engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

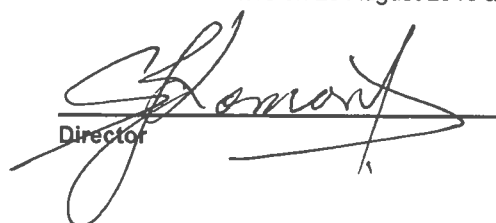
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

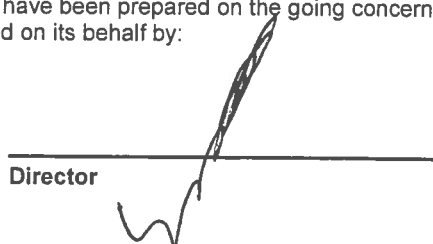
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditor and his report is presented on pages 5 to 6.

The financial statements set out on pages 8 to 16, which have been prepared on the going concern basis, were approved by the board of directors on 29 August 2016 and were signed on its behalf by:


Director


Director

Independent Auditor's Report

To the shareholders of Hole In The Wall Shareblock Limited

I have audited the financial statements of Hole In The Wall Shareblock Limited, as set out on pages 8 to 16, which comprise the statement of financial position as at 31 December 2015, and the levy statement, the statement of changes in equity, and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Hole In The Wall Shareblock Limited as at 31 December 2015, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act of South Africa.

Other matter

Without qualifying my opinion, I draw attention to the fact that supplementary information set out on page 17 does not form part of the financial statements and is presented as additional information. I have not audited this information and accordingly do not express an opinion thereon.

Independent Auditor's Report

Other reports required by the Companies Act

As part of my audit of the financial statements for the year ended 31 December 2015, I have read the Directors' Report, Audit Committee Report and the Certificate by the Company Secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports I have not identified material inconsistencies between these reports and the audited financial statements. However, I have not audited these reports and accordingly do not express an opinion on these reports.



Hugh Strickland
Hugh Strickland & Company
Chartered Accountant (SA)
Registered Auditor

29 August 2016
Port Shepstone

Hole In The Wall Shareblock Limited

(Registration number 1983/060155/06)

Financial Statements for the year ended 31 December 2015

Directors' Report

The directors submit their report for the year ended 31 December 2015.

1. Nature of business

Hole In The Wall Shareblock Limited was incorporated in South Africa. The company runs a holiday resort on a timesharing basis. The resort is situated in the Eastern Cape.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Directors

The directors in office at the date of this report are as follows:

H M Adams
R Cominelli
K Farren
S J Lamont
S Lang
A N Ridl
B Thomas
J Baker

5. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

6. Auditors

Hugh Strickland & Company were the auditors for the year under review and their reappointment depends on a resolution taken to that effect by the shareholders at the forthcoming annual general meeting.

7. Secretary

The company secretary is First Resorts and Hotel Management Proprietary Limited.

Postal address

P O Box 1287
Pinetown
3610

Business address

1 Crompton Street
Pinetown
3610

Hole In The Wall Shareblock Limited

(Registration number 1983/060155/06)

Financial Statements for the year ended 31 December 2015

Statement of Financial Position as at 31 December 2015

	Note(s)	2015 R	2014 R
Assets			
Non-Current Assets			
Net financial assets	2	2 662	2 662
Current Assets			
Inventories	3	16 996	24 408
Accounts receivable	4	540 359	430 312
Current tax receivable		25 439	13 072
Cash and cash equivalents	5	608 110	976 789
Levies receivable		1 240 944	1 182 863
		2 431 848	2 627 444
Total Assets		2 434 510	2 630 106
Equity and Liabilities			
Equity			
Share capital	6	2 662	2 662
Reserves		1 541 442	2 012 319
		1 544 104	2 014 981
Liabilities			
Current Liabilities			
Accounts payable	7	728 541	569 517
Levies received in advance		161 865	45 608
		890 406	615 125
Total Equity and Liabilities		2 434 510	2 630 106

Hole In The Wall Shareblock Limited

(Registration number 1983/060155/06)

Financial Statements for the year ended 31 December 2015

Levy Statement

	Note(s)	2015 R	2014 R
Levies raised		6 522 555	5 962 202
Other income		193 095	133 781
Expenditure		(7 215 238)	(5 886 375)
(Deficit)/Surplus before interest and taxation		(499 588)	209 608
Interest received	8	23 490	22 621
Interest paid	9	(545)	(1 943)
(Deficit)/Surplus before taxation		(476 643)	230 286
Taxation	10	5 766	-
(Deficit)/Surplus for the year		(470 877)	230 286

Hole In The Wall Shareblock Limited

(Registration number 1983/060155/06)

Financial Statements for the year ended 31 December 2015

Statement of Changes in Equity

	Share capital R	Reserves R	Total equity R
Balance at 01 January 2014	2 662	1 782 033	1 784 695
Surplus for the year	-	230 286	230 286
Balance at 01 January 2015	2 662	2 012 319	2 014 981
Deficit for the year	-	(470 877)	(470 877)
Balance at 31 December 2015	2 662	1 541 442	1 544 104
Note	6		

Hole In The Wall Shareblock Limited

(Registration number 1983/060155/06)

Financial Statements for the year ended 31 December 2015

Statement of Cash Flows

	Note(s)	2015 R	2014 R
Cash flows from operating activities			
Cash (used in)/generated from operations	12	(443 199)	22 912
Interest received		23 490	22 621
Interest paid		(545)	(1 943)
Tax paid	13	(6 601)	(23 002)
Net cash from operating activities		(426 855)	20 588
Total cash movement for the year		(368 679)	20 588
Cash at the beginning of the year		976 789	956 201
Total cash at end of the year	5	608 110	976 789

Hole In The Wall Shareblock Limited

(Registration number 1983/060155/06)

Financial Statements for the year ended 31 December 2015

Accounting Policies

1. Presentation of financial statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Intangible assets

Intangible assets are intangible items that :

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The carrying amount of an item of net financial asset shall be derecognised on disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price. This includes transaction costs except for financial instruments which are measured at fair value through profit or loss.

Financial instruments at amortised cost

Debt instruments, as defined in the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised in profit or loss.

Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Hole In The Wall Shareblock Limited

(Registration number 1983/060155/06)

Financial Statements for the year ended 31 December 2015

Accounting Policies

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation.

1.5 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

1.6 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.7 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Levy revenue is recognised when the right to occupation arises.

1.8 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Hole In The Wall Shareblock Limited

(Registration number 1983/060155/06)

Financial Statements for the year ended 31 December 2015

Notes to the Financial Statements

	2015 R	2014 R
2. Net financial assets		
Loans from shareholders		
Leasehold property	(3 408 000)	(3 408 000)
Motor vehicles	3 408 000	3 408 000
Resort equipment	240 647	240 647
Computer equipment	58 360	58 360
Non-distributable reserve	8 156	8 156
	(304 501)	(304 501)
	2 662	2 662
<p>The loans from shareholders together with the share capital represent the shareholders' investment in the company, which investment in conjunction with a use agreement gives right to accommodation in the building. The net financial asset arises from the assignment of the right of use of the property owned by the company to the shareholders in excess of their loans. This is in accordance with the SAICA guideline for share block companies, issued in June 2011.</p> <p>Leasehold property is described as Lot Hotel, no.33, situated in the Mqanduli Registration Division, Province of the Eastern Cape, being a piece of quitrent land situated at Hole-in-the-Wall administration area no.18, called Mtonjana in extent 2,2079 hectares.</p> <p>The company has entered into a sub-lease with Dalindyebo Enterprises (Pty) Ltd whereby it is entitled to use the premises leased by the later for a period of 99 years. The lease expires on 05/03/2083 at which date the improvements evolve to the land owner.</p>		
3. Inventories		
Finished goods	3 917	7 240
Goodie bags and consumables	12 926	15 786
Toys and stickers	153	1 383
	16 996	24 408
4. Accounts receivable		
Accounts receivable	285 517	399 517
Deposits	15 897	15 417
VAT	199 666	-
Control Account	27 418	-
Prepayments	11 861	15 378
	540 359	430 312
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	5 000	10 000
Bank balances	603 110	966 789
	608 110	976 789
6. Share capital		
Authorised		
26,936 Ordinary shares of no par value	2 694	2 694
Issued		
26,624 Ordinary shares of no par value	2 662	2 662

Hole In The Wall Shareblock Limited

(Registration number 1983/060155/06)

Financial Statements for the year ended 31 December 2015

Notes to the Financial Statements

	2015 R	2014 R
7. Accounts payable		
Accounts payable	728 541	479 644
VAT	-	89 873
	728 541	569 517
8. Interest received		
Bank	23 490	22 621
9. Interest paid		
Bank	545	1 943
10. Taxation		
Major components of the tax income		
Current		
Local income tax - recognised in current tax for prior periods	(5 766)	-
No tax is payable on the levy income from the shareholders in terms of Sec 10(1)e of the Income Tax Act. A reconciliation of the taxation charge is not considered appropriate as share block companies are liable for taxation only on their non-levy income exceeding R50,000 exemption and after a pro rata deduction of certain administrative expenses.		
11. Auditor's remuneration		
Audit fees	-	47 000
Tax and other services	12 988	(4 895)
	12 988	42 105
12. Cash (used in)/generated from operations		
(Deficit) surplus before taxation	(476 643)	230 286
Adjustments for:		
Interest received	(23 490)	(22 621)
Interest paid	545	1 943
Movement in levies receivable	-	(231 409)
Movement in levies received in advance	-	(29 729)
Changes in working capital:		
Inventories	7 413	30 622
Accounts receivable	(110 047)	(42 765)
Accounts payable	159 023	86 585
	(443 199)	22 912
13. Tax paid		
Balance at beginning of the year	13 072	(9 930)
Current tax for the year recognised in surplus or deficit	5 766	-
Balance at end of the year	(25 439)	(13 072)
	(6 601)	(23 002)

Hole In The Wall Shareblock Limited

(Registration number 1983/060155/06)

Financial Statements for the year ended 31 December 2015

Notes to the Financial Statements

	2015 R	2014 R
14. Related parties		
Relationships		
Entities with common directorship	First Resorts and Hotel Management Proprietary Limited Hole In The Wall Proprietary Limited Trafalgar Holiday Resorts Proprietary Limited	
Related party balances and transactions with other related parties		
Related party transactions and balances		
Management fees paid to related party		
First Resorts and Hotel Management Proprietary Limited	617 009	571 509
Cleaning income received from related party		
Hole In The Wall Hotel Proprietary Limited	120 000	120 000
Office rental paid to related party		
Trafalgar Holiday Resorts Proprietary Limited	64 758	123 685

HOLE IN THE WALL SHAREBLOCK LIMITED
DETAILED LEVY STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED: 31 DECEMBER 2015

	Notes	2015 ACTUAL	2015 BUDGET	2015 VARIANCE	2014 ACTUAL
LEVIES					
Levies raised		6 522 555	6 498 802	23 753	5 962 202
OTHER INCOME					
Interest received	8	216 585	145 000	71 585	156 402
Cleaning Income		23 490	25 000	(1 510)	22 621
Sundry Income		120 000	120 000	-	120 000
		73 095	-	73 095	13 781
TOTAL INCOME		6 739 140	6 643 802	95 338	6 118 604
ADMINISTRATION COSTS					
Advertising , marketing and signage		267 994	942 388	674 394	780 310
AGM costs		162 086	163 676	1 590	145 162
Audit fees	11	4 253	8 611	4 358	3 022
Audit fees - prior year	11	-	51 229	51 229	47 000
Audit fees - other	11	(9 000)		9 000	(10 055)
Provision for bad debts		21 988	3 270	(18 718)	5 160
Bank charges		(427 892)	150 000	577 892	86 202
Computer expenses		7 998	9 974	1 976	5 202
Directors remuneration and travel		110 316	63 314	(47 002)	82 924
First Exchange fee		2 560	69 106	66 546	29 115
Interest paid	9	27 883	28 669	786	26 302
Legal expenses		545	1 090	545	1 943
Professional Fees		14 158	10 900	(3 258)	462
Motor vehicle expenses		16 402		(16 402)	
Office rental - charge by THR		162 371	128 902	(33 469)	126 729
Postage and courier		64 758	149 389	84 631	123 685
Printing and stationery		9 037	10 168	1 131	6 946
Subscriptions		59 744	47 354	(12 390)	44 312
Travelling and meeting expenses		13 348	8 749	(4 599)	15 682
		27 439	37 987	10 548	40 517
ON SITE EXPENSES					
Cleaning materials		447 706	482 445	34 742	420 834
Guest amenities and refreshments		143 213	132 980	(10 233)	124 778
DSTV		110 098	163 500	53 402	172 974
Pest control		-	55 754	55 754	
Service expenses		10 036	6 813	(3 223)	6 512
Telephone		124 428	79 571	(44 857)	87 640
TV licences		58 018	38 795	(19 223)	26 456
		1 913	5 035	3 122	2 474
PROPERTY EXPENSES					
Electricity		1 459 512	1 838 491	378 979	1 276 249
Insurance		478 910	474 289	(4 621)	331 900
Repairs and maintenance		217 888	144 851	(73 037)	115 033
Security		316 419	948 368	631 949	546 965
		446 295	270 983	(175 312)	282 351
MANAGEMENT FEE		601 862	601 862	-	557 280
STAFF COSTS					
Salaries and wages		2 486 314	2 188 756	(297 558)	2 029 418
Staff expenses		2 340 854	2 096 296	(244 558)	1 959 904
Staff training		69 181	16 350	(52 831)	26 091
Uniforms		23 144	28 150	5 006	16 042
		53 135	47 960	(5 175)	27 381
TOTAL EXPENDITURE		5 263 388	6 053 942	790 557	5 064 091
LEVY SURPLUS FOR THE YEAR		1 475 752	589 860	885 892	1 054 513
TAXATION	10	(5 766)	26 600	32 366	-
LEVY SURPLUS / (DEFICIT) AFTER TAXATION		1 481 519	563 260	918 259	1 054 514
REFURBISHMENT EXPENDITURE & REPLACEMENTS	A	(1 952 396)	-	(1 952 396)	(824 228)
LEVY SURPLUS / (DEFICIT) FOR THE YEAR		(470 877)	563 260	(1 034 137)	230 286
TRANSFER FROM/(TO) REFURBISHMENT RESERVE		470 877	(563 260)	1 034 137	(230 286)
		-	-	-	-

HOLE IN THE WALL SHAREBLOCK LIMITED
DETAILED LEVY STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED: 31 DECEMBER 2015

	2015 ACTUAL	2015 BUDGET	2015 VARIANCE	2014 ACTUAL
Refurbishment / Replacement Expenses	1 952 396	-	(1 952 396)	824 229
<u>TIMESHARE UNITS : 18</u>				
Linen	140 388	-	(140 388)	73 394
Appliances / Electrical Equipment	171 905	-	(171 905)	123 671
Cutlery / Crockery	23 326	-	(23 326)	10 946
Curtains / Carpets	-	-	-	1 191
Furniture / Fittings	40 620	-	(40 620)	32 735
Electrical lightfittings, etc	132 089	-	(132 089)	59 297
Buildings / Other	126 579	-	(126 579)	155 025
Yamaha 4 Wheeler YFM wolverine 4x4	35 088	-	(35 088)	
Surveillance Cameras	-	-	-	27 165
Lifeguard Equipment	-	-	-	21 615
Beach Bicycles	-	-	-	18 294
Window Replacement	87 122	-	(87 122)	
Thatch Replacements	15 960	-	(15 960)	170 438
Patio Refurb - Treated Timber & Sealers	-	-	-	75 673
<u>ENTERTAINMENT / GAMES ROOM</u>				
Wi-Fi for the entire resort	26 868	-	(26 868)	48 687
Sports / Game Equipment	-	-	-	6 098
<u>COMMON</u>				
Septic Tank Drainage System - Calcamite System	657 200	-	(657 200)	-
Manufacture and install galvanised motor gate with track	14 000	-	(14 000)	-
Water treatment plant installation Calcamite System	133 772	-	(133 772)	-
Water purification plant	347 480	-	(347 480)	-



HOLE IN THE WALL

INSURED:

Hole in the Wall Shareblock Limited

INSURER:

Hollard

POLICY NO:

FIRST062/0001 / 0002 / 0007 / 0008 / 0009 & 0010

PERIOD OR COVER:

1 January 2016 to 1 January 2017

BROKERS:

Curnow Garrun

DETAILS			
BUSINESS INTERRUPTION			1 745 093
BUILDING COMBINED			66 002 419
CRIME			170 000
CONTENTS		40 000	
MONEY		100 000	
THEFT		30 000	
GLASS			20 000
GOODS IN TRANSIT			5 000
ACCIDENTAL DAMAGE			20 000
DIRECTORS & OFFICERS			90 000 000
PERSONAL ACCIDENT			1 000 000
EMPLOYERS LIABILITY			1 000 000
EXTENDED PUBLIC LIABILITY			170 000 000
LIABILITY			1 150 000
PUBLIC LIABILITY		1 150 000	
MOTOR			249 300
2010 TOYOTA HILUX 2.5 D-4D SRX 4X4		197 300	
2012 CHALLENGER 6 FOOT LUGGAGE TRAILER		12 000	
2008 YAMAHA YFM 450 WOLVERINE 4X4 QUADBIKE		40 000	
TOTAL			331 361 812





HOLE IN THE WALL SHARE BLOCK LTD

Registration No. 1983/060155/06

LEVY BUDGET

Due to the large format of the Budget, kindly follow the link as mentioned to download and peruse

<http://cdn.clubtech.co.za/Transfer/hole in the wall.pdf>

HOLE IN THE WALL



NUMBER OF UNITS / STANDS	
Outright Owner	18
Hotel Rooms	18
Commercial	9
Vacant stands	13
Timeshare	18
TOTAL	
	76

	OUTRIGHTS	HOTEL UNITS & BP	COMMERCIAL	TIMESHARE	VACANT STANDS	
No of Shares	2.5%	24%	7%	2.1%	23%	100%
No of Beds	36%	34%	2%	28%	0%	100%
No of Levy Contr	2%	2%	0%	95%	2%	100%
Land Area	2.1%	1.3%	6%	1.1%	49%	100%
Building Area	34%	2.2%	1.7%	2.7%	0%	100%
No of sections (Houses, Land & Commercial)	24%	24%	9%	24%	19%	100%
PQ Building Area EXCL COMM	4.1%	26%	0%	33%	0%	100%

1	2	3	4	5	6	7	8	9	10	11
---	---	---	---	---	---	---	---	---	----	----

LAND LEVY
10%
BUILDINGS LEVY 2 - 6
USE SERVICES
TOTAL BUDGET

% LEVY INCREASE 2017

	LAND LEVY	COMMON OUTRIGHT OWNERS 10%	COMMON HOTEL ROOMS & BACKPACKERS 10%	COMMON COMMERCIAL SECTIONS 10%	COMMON TIMESHARE UNITS 10%	TOTAL BUILDING LEVY 10%	USE SERVICE TIMESHARE 10%	DEC 2017 TOTAL BUDGET 10%	DEC 2016 TOTAL BUDGET	DEC 2016 FORECAST	DEC 2015 AUDITED
Percentage Levy Income											
LEVY INCOME - OUTRIGHT Land & Building	182 254	470 326	-	-	-	470 326	-	652 580	571 382 (20 968)	571 382 (20 968)	524 204
LEVY INCOME - OUTRIGHT Land & Building - Reduce 4%		-	-	-	-	-	-	-	-	-	-
LEVY INCOME - COMMERCIAL Land & Building	50 069	-	-	368 317	-	368 317	-	418 386	380 351	380 351	1 038 774
LEVY INCOME - COMMERCIAL Land & Building - (Additional Levies - 10%)		-	-	33 483	-	33 483	-	665 551	605 046	605 046	578 838
LEVY INCOME - HOTEL & BACKPACKERS: Land & Building	108 696	-	556 854	-	-	556 854	-	50 623	-	-	-
LEVY INCOME - HOTEL & BACKPACKERS: Land & Building - (Additional Levies - 10%)		-	50 623	-	-	50 623	-	427 226	410 259	410 259	376 385
LEVY INCOME - VACANT: Land Only	427 226	-	-	-	827 104	827 104	4 703 837	5 628 321	5 116 655	5 116 655	4 004 351
LEVY INCOME - TIMESHARE COMMON: Land & Building	97 380	-	-	-	-	-	-	263 500	304 000	277 000	216 585
LEVY INCOME - TIMESHARE SERVICE: Use Service		-	-	-	-	-	-	-	-	-	-
OTHER INCOME	8 250	4 500	3 750	-	-	13 500	241 750	8 139 670	7 366 725	7 366 725	6 739 137
TOTAL INCOME	873 875	474 826	612 727	405 551	827 104	2 320 208	4 945 587	100.00%	100%	7 398 000	5 691 278
EXPENDITURE	725 688	350 646	553 875	378 629	846 828	2 129 980	4 457 050	7 312 733	7 234 000	7 234 000	6 951 886
Administration and office expenses	105 796	24 188	95 499	81 343	323 554	524 585	521 248	1 151 644	997 866	1 122 572	448 186
On Site cleaning and service expenses	8 000	28 066	23 825	19 049	36 221	107 161	525 692	640 853	553 114	507 986	1 459 030
Property expenses including Electricity	487 525	185 778	277 016	173 949	302 820	939 563	770 389	2 197 477	1 979 474	2 064 774	737 160
Management fee & FR Direct Cost	84 053	24 372	38 036	30 124	58 624	151 356	714 658	950 067	1 031 990	879 696	2 351 017
Staffing	40 315	88 942	119 499	74 164	125 609	407 314	1 925 064	2 372 692	2 671 556	2 822 972	1 047 859
NET SURPLUS TRE TO RESERVE FUND	148 187	124 179	58 852	26 922	(19 724)	190 228	488 537	826 938	132 725	(32 496)	(427 892)
Minus: Provision for Bad debts	-	-	-	-	-	-	-	-	150 000	150 000	(5 766)
Minus: Taxation - R50,000 exempt	-	-	-	-	-	-	-	-	71 120	71 120	1 952 396
Minus: Refurbishment expenditure and replacements	-	-	-	-	0	-	523 011	523 011	1 002 811	955 379	(470 880)
NET SURPLUS	148 187	124 179	58 852	26 922	(19 724)	190 228	(34 474)	303 927	(1 091 205)	(1 137 876)	101 239
Transfer (to) / from Replacement Reserve - Common	(148 187)	(124 179)	(58 852)	(26 922)	19 724	(190 228)	34 474	(338 414)	234 609	244 643	369 641
Transfer (to) / from Replacement Reserve - Timeshare	-	-	-	-	-	-	-	34 474	856 596	893 232	-
	-	-	-	-	-	-	-	(0)	-	-	-

	TOTAL	
TOTAL REFURBISHMENT RESERVE SUMMARY		
Opening balance	2 012 323	1 541 443
Transfer to common reserve	1 091 205	-182 496
Refurbishment expenditure	-1 091 205	-1 952 396
REFURBISHMENT RESERVE BALANCE	2 012 323	662 341
		1 541 443

HOLE IN THE WALL SHARE BLOCK LIMITED
LEVY BUDGET YEAR ENDING : 31 DECEMBER 2017


Leasehold Property

Known as Lot Hotel No. 33 situated in Mquanduli Registration Division, Province of Eastern Cape , being the quitrent land situated at

Hole-In-The-Wall administration area no 18, called Mtonjana in extent 2,2079 hectares

			2017	2016
			PER WEEK	PER WEEK
Time Share - COMMON	No of Shares	Land Area	2017 LEVY INC VAT	2016 LEVY INC VAT
Unit 21	416	147	10 625	9 659
Unit 22	416	127	9 180	8 345
Unit 23	416	117	8 457	7 688
Unit 24	416	118	8 529	7 754
Unit 31	416	123	8 890	8 082
Unit 32	312	77	5 566	5 060
Unit 33	208	61	4 409	4 008
Unit 34	208	66	4 770	4 337
Unit 36	208	61	4 409	4 008
Unit 39	208	57	4 120	3 745
Unit 42	104	31	2 241	2 037
Unit 44	312	66	4 770	4 337
Unit 45	312	74	5 349	4 862
Unit 46	312	96	6 939	6 308
Unit 47	312	71	5 132	4 665
Unit B01 - Club Property Holdings	416	252	10 808	9 825
Unit B02 - Club Property Holdings	416	252	10 808	9 825
Unit B03 - Club Property Holdings	416	252	10 808	9 825
	5 824	2048	125 810	114 372
			PER WEEK	PER WEEK
Hotel & Backpackers	No of Shares	Land Footprint&Vacant	2017 LEVY INC VAT	2016 LEVY INC VAT
THR Rondawels 1	104	29	308	259
THR Rondawels 2	104	31	329	277
THR Rondawels 3	104	26	276	232
THR (Back Packers Erf 1) 1 - 6 BP 01 - BP06	416	339	1 407	1 199
THR (Back Packers Erf 2) 7- 9 BP 07- BP09	416	339	832	720
	1 144	763	3 152	2 687
			PER WEEK	PER WEEK
Hotel Suites	No of Shares	Land Footprint&Vacant	2017 LEVY INC VAT	2016 LEVY INC VAT
THR - Hotel Suite 1	416	79	839	706
THR - Hotel Suite 2	416	79	839	706
THR - Hotel Suite 3	416	76	807	679
THR - Hotel Suite 4	416	76	807	679
THR - Hotel Suite 5	416	78	823	692
THR - Hotel Suite 6	416	78	823	692
THR - Hotel Suite 7	416	77	813	683
THR - Hotel Suite 8	416	77	813	683
THR - Hotel Suite 9	416	77	818	688
THR - Hotel Suite 10	416	77	818	688
THR - Hotel Suite 11	416	91	967	813
THR - Hotel Suite 12 (12)	416	330	1 513	1 287
THR - Hotel Suite 13 (14)	416	330	1 867	1 582
	5 408	1 523	12 548	10 577

Leasehold Property

Known as Lot Hotel No. 33 situated in Mquanduli Registration Division, Province of Eastern Cape , being the quitrent land situated at

Hole-In-The-Wall administration area no 18, called Mtonjana in extent 2,2079 hectares

			2017	2016
			PER MONTH	PER MONTH
COMMERCIAL	No of Shares	Land Footprint&Vacant	2017 LEVY INC VAT	2016 LEVY INC VAT
Hotel	416	412	16 796	14 138
Back packers Kitchen	416	95	3 873	3 260
Workshop/Stores	416	244	9 947	8 373
Staff Accomodation 1 - Front Office	104	89	3 628	3 054
Staff Accomodation 2 - Reception	104	86	3 506	2 951
Staff Accomodation 3 (Chalet AA) - Reception	104	21	856	721
Manager's Flat	104	63	2 568	2 162
Linen Storeroom	104	17	693	583
Laundry	104	26	1 060	892
	1 872	1053	42 928	36 133
			PER MONTH	PER MONTH
VACANT STANDS	No of Shares	Land Footprint&Vacant	2017 LEVY INC VAT	2016 LEVY INC VAT
THR	416	659	2 977	2 706
THR	416	527	2 381	2 164
GAAF BELEGGINGS	416	532	2 403	2 185
THR	416	564	2 548	2 316
MULTI DESTINATIONS CLUB TRUST	416	569	2 570	2 337
THR ex QVC	416	878	3 966	3 605
THR ex QVC	416	921	4 160	3 782
THR	416	930	4 201	3 819
THR	416	487	2 200	2 000
THR	416	630	2 846	2 587
FLETCHER	416	563	2 543	2 312
THR	416	247	1 116	1 014
THR	416	322	1 455	1 322
Network Ridl	416	488	2 204	2 004
Network Ridl	416	668	3 017	2 743
	6240	8985	40 586	36 897
			PER MONTH	PER MONTH
OUTRIGHT OWNERS	No of Shares	Land Footprint&Vacant	2017 LEVY INC VAT	2016 LEVY INC VAT
Davison Family Trust (House + Garage)	416	128	3 214	3 056
Farren & Harley (Fh1)	416	319	4 445	4 194
Farren & Harley (Fh2)	416	319	4 445	4 194
Farren Family Trust (Fft1)	249,6	99	1 712	1 621
Uberkei Cottages CC ex Farren	582,4	230	3 995	3 782
Fraser (F1)	312	93	2 335	2 220
Fraser (F2)	208	74	1 858	1 767
Harley	416	573	6 212	5 832
Hole In The Wall Cc - Duncan's Place	416	157	3 942	3 748
Le Roux	416	111	2 787	2 650
MDC (Wooden House + Out Buildings) - Multi Destination	416	108	2 712	2 578
Nieuwoudt	416	117	2 938	2 793
Shane Lang Business Trust (D Lang)14 (18)	416	572	6 002	5 630
THR Red Roof - Staff Accomodation - Maintenance	208	32	803	764
James Baker	416	506	4 654	2 078
Shane Lang Business Trust (H1)	416	109	2 737	2 602
Shane Lang Business Trust (H2)	416	114	2 862	2 721
Stone & Hanner Family Trust	416	173	4 344	4 130
	6 968	3 833	61 995	56 359
TOTAL	27456	42079	287 019	257 026

Hole in the Wall Share Block
2017 Timeshare Calendar

Week	Start Date	End Date
P012	07/01/2017	14/01/2017
P013	14/01/2017	21/01/2017
MF01	21/01/2017	28/01/2017
MF02	28/01/2017	04/02/2017
MF03	04/02/2017	11/02/2017
MF04	11/02/2017	18/02/2017
MF05	18/02/2017	25/02/2017
MF06	25/02/2017	04/03/2017
MF07	04/03/2017	11/03/2017
MF08	11/03/2017	18/03/2017
MF09	18/03/2017	25/03/2017
P014	25/03/2017	01/04/2017
P001	01/04/2017	08/04/2017
P002	08/04/2017	15/04/2017
MF10	15/04/2017	22/04/2017
MF11	22/04/2017	29/04/2017
MF12	29/04/2017	06/05/2017
MF13	06/05/2017	13/05/2017
MF14	13/05/2017	20/05/2017
MF15	20/05/2017	27/05/2017
MF16	27/05/2017	03/06/2017
MF17	03/06/2017	10/06/2017
MF18	10/06/2017	17/06/2017
MF19	17/06/2017	24/06/2017
P015	24/06/2017	01/07/2017
P003	01/07/2017	08/07/2017
P004	08/07/2017	15/07/2017
P005	15/07/2017	22/07/2017
P016	22/07/2017	29/07/2017
MF20	29/07/2017	05/08/2017
MF21	05/08/2017	12/08/2017
MF22	12/08/2017	19/08/2017
LF01	19/08/2017	26/08/2017
LF02	26/08/2017	02/09/2017
LF03	02/09/2017	09/09/2017
LF04	09/09/2017	16/09/2017
LF05	16/09/2017	23/09/2017
P017	23/09/2017	30/09/2017
P006	30/09/2017	07/10/2017
P007	07/10/2017	14/10/2017
LF06	14/10/2017	21/10/2017
LF07	21/10/2017	28/10/2017
LF08	28/10/2017	04/11/2017
LF09	04/11/2017	11/11/2017
LF10	11/11/2017	18/11/2017
LF11	18/11/2017	25/11/2017
LF12	25/11/2017	02/12/2017
P018	02/12/2017	09/12/2017
P008	09/12/2017	16/12/2017
P009	16/12/2017	23/12/2017
P010	23/12/2017	30/12/2017
P011	30/12/2017	06/01/2018





PO BOX 1287 PINETOWN 3600, 1 CROMPTON STREET PINETOWN 3610 TEL 031 7177593 FAX 7091680

CREDIT CARD FACILITY

RESORT _____

UNIT & WEEK _____

CONTACT TELEPHONE NUMBER _____

CARD HOLDER'S INITIALS & SURNAME _____

CARD HOLDER'S ID NUMBER _____

TYPE OF CARD (VISA, MASTER, etc) _____

CARD NUMBER

EXPIRY DATE

AMOUNT _____

DATE YOU WISH YOUR CARD TO BE DEBITED _____

CLIENTS LIVING OUTSIDE SOUTH AFRICA - CREDIT CARD FACILITY ON STRAIGHT ONLY

CVC Number
Last 3 digits at the back of card

BUDGET (months) 6 12 24 36 48

CARD HOLDER SIGNATURE

DATE



P.O Box 1287 Pinetown 3600, 1 Crompton Street Pinetown 3610
Tel: +27 31 717 7593 Fax: +27 31 709 1680
Email Address: info@firstresorts.co.za

RESORT: _____ UNIT: _____ WEEK: _____

MEMBERS DETAILS

First Names: _____ Title: _____

Surname: _____ Gender: M ☐ F ☐

ID NO.: Birthday:

Street Address: _____

Postal Address: _____

City/Town: _____ Province: _____

Postal Code: _____ Email Address: (self) _____

Email Address: (spouse) _____

Email Address: (office) _____

Tel: (Home) _____ Tel: (Work) _____

Tel: (Cell 1) _____ Tel: (Cell 2) _____

Preferred Language: _____ Marital Status: _____

SIGNATURE

DATE

Only applicable to owners who need to update their details.

HOLE IN THE WALL SHARE BLOCK LIMITED

REGISTRATION NO: 1983/060155/06

NOMINATION FORM FOR DIRECTORSHIP

I/We the undersigned _____

the owner/s of module _____

in Unit _____ duly authorised hereto as a member of the above Company, hereby nominate the following persons for election as Directors of the Company at the Annual General Meeting of the Company to be held on **24 November 2016** and their signatures signify acceptance.

NAMES OF PROPOSED DIRECTORS

SIGNATURES OF PROPOSED DIRECTORS

Directors retiring are:

J Baker
K Farren
S Lang
B Thomas

Signed at _____ this _____ day of _____ 2016

MEMBER'S SIGNATURE _____

DOMICILIUM

HOLE IN THE WALL SHARE BLOCK LIMITED
c/o FIRST RESORTS & HOTEL MANAGEMENT (PTY) LTD
1 CROMPTON STREET
PINETOWN
3610

POSTAL ADDRESS

P.O.BOX 1287
PINETOWN
3600
Fax: 031 701 9964/ 086 2956099
email: estia@firstresorts.co.za

Nomination Forms should be completed and returned to First Resorts and Hotel Management (Pty) Ltd, P O Box 1287, Pinetown, 3600 so as to arrive no later than **48 (FORTY EIGHT)** hours before the meeting.

Fax to: 031 701 9964/ 086 2956099 and email to estia@firstresorts.co.za will also be acceptable.

HOLE IN THE WALL SHARE BLOCK LIMITED

(Registration No.: 1983/060155/06)

FORM OF PROXY

A member entitled to attend and vote at the meeting is entitled to appoint a proxy of his own choice to attend, speak and vote in his stead. A proxy need not be a member of the company.

I/ We _____

(Name in block capitals)

Unit No.: _____ Week No.: _____ being a shareholder/s of HOLE IN THE WALL SHARE BLOCK LIMITED and entitled to _____ vote(s) do hereby appoint:

_____ (ID: No: _____)

of _____ or failing him :

_____ (ID: No: _____)

of _____

failing him, the Chairman of the meeting, as my/our proxy to attend, and on a poll, vote on my/our behalf at the annual general meeting to be held on **24 NOVEMBER 2016**, or at any adjournment thereof, as follows:

(Indicate directions to proxy by way of a cross (X) in the space provided above.)
Unless otherwise instructed, the proxy may vote as he thinks fit.

AGENDA ITEM		FOR	AGAINST	ABSTAIN
6.	To accept the minutes of the Annual General Meeting held on 9 December 2015			
9.	To accept the Annual Financial Statements in respect of the year ended 31 December 2015			
10.	To approve the auditors' remuneration for the year ended December 2015			
11.	To appoint auditors for the year ending December 2016 (on recommendation of the current Audit Committee)			
12.	Determine number of Directors			
13.	To elect Directors: J Baker K Farren S Lang B Thomas _____ _____ _____			

14.	To appoint the Audit Committee			
15.	To accept the schedule of insurance cover			
16.	To accept the levy budget for the year ending 31 December 2017			
17.	Determine interest rate on arrear levies			

Signed this _____ day of _____ 2016.

Signature

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PINETOWN
3610

POSTAL ADDRESS

P.O.BOX 1287
PINETOWN
3600
Fax: 031 701 9964/ 086 2956099
email: estia@firstresorts.co.za

Note 1: This proxy must be delivered or faxed to the Secretaries of the company not less than **FORTY EIGHT HOURS** before the time appointed for the meeting.

Note 2: A Member entitled to attend and vote is entitled to appoint a proxy to attend, speak and vote in his stead, and such proxy need not also be a Member of the Company.

Note 3: This Proxy shall be binding upon the Member until such time as the Member personally withdraws it and it is limited to the voting on the special and ordinary resolutions referred to herein. Unless otherwise instructed, the proxy will vote as he thinks fit. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his stead.

Any alteration or correction made to this form of proxy (excluding the deletion of alternatives) must be initialled by the signatory. Documentary evidence establishing the authority of a Person signing this form of proxy in a representative capacity (i.e. on behalf of a Company, Close Corporation or Trust) must be attached to this form.

The completion and lodging of this form of proxy will not preclude the relevant Member from attending the meeting and speaking and voting in Person thereat, to the exclusion of any proxy appointed in terms thereof, should such Member wish to do so.

Emailed and facsimile copies of this proxy form must be duly verified before the commencement of the meeting to be eligible for acceptance. If any one of the requirements contained herein is not fulfilled, the proxy form and/or the nomination of the proxy will be null and void.

Proxy holders must present reasonably satisfactory identification before attending and participating in the meeting.



FIRST RESORTS
360° Service

First Resorts and Hotel Management (Pty) Ltd
Registration No. 2004/015621/07
1 Crompton Street, Pinetown 3610
P.O. Box 1287, Pinetown, 3600
Tel: 031 717 7593 | Fax: 031 701 9964
www.firstresorts.co.za

26 October 2016

To:

The Directors of Share Block Companies, Trustees of Sectional Title Bodies Corporate and HOA's

Community Schemes Ombud Services ACT 9 OF 2011 (CSOS) AND

Sectional Title Schemes Management ACT 8 OF 2011 (STSMA)

These acts were first signed by the President in 2011. When the Regulations to the Acts are approved and published, the acts come into operation.

The CSOS and STSMA became operational 7th October 2016.

There are immediate items contained in these acts that must now be addressed and brought to shareholders and sectional title owners' attention. These include BUT are NOT limited to the following:

CSOS

Is applicable to all community schemes – Sectional Title Bodies Corporate, Share Block Companies, Home Owners Associations, etc.

1. The Body Corporate, Share Block Companies and HOA have 30 days from 7th October 2016 to register with CSOS. This involves the completion of a five page registration form for each entity. When submitted this application must be accompanied by many documents including rules, plans, constitution, Directors / Trustees IDs and other information. First Resorts, your managing agents, will be attending to this.

2. From the 1st October 2016 all shareholders/owners will be required to pay a monthly service levy to the office of the Ombud. If you own in a sectional title scheme within a HOA, you will be required to pay two contributions. The amount of the contribution will be the BC or HOA monthly levy – less R500 (as this is exempt) – 2% of the balance to a maximum amount of R40. Therefore if your HOA levy is R2750 your contribution will be $R2750 - R500 = R2250 \times 2\% = R45$ therefore the levy will be R40.

The service levy is charged in order to fund the services offered by the office of the Ombudsman which include *inter alia* –

Directors: SE Lamont, JJ Jordaan, TT Spencer, JH Jordaan





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- Assisting schemes to recover arrear levies. The regional Ombudsman can be approached to help in cases where trustees are finding it difficult to recover arrear owner contributions.
- Remedying an inability to obtain either a special or unanimous resolution. In future the chief Ombudsman can be approached to assist in cases where there is a stalemate in achieving either a special or unanimous resolution.
- Assisting in dispute resolutions and control sectional title governance. The service will be available to all with a minimal administration fee and it will also be funded via a small stipend attached to the scheme's levy payments. The amounts payable will be proportionate to the levy amounts paid.
- Shareholders/owners can apply for the CSOS to assist them in disputes and this will include assistance in coming to a resolution on matters. The CSOS will, however, refer matters that cannot be resolved to either conciliation or adjudication services.

STSMA

Is applicable only to Sectional Title Bodies Corporate.

Reserve Fund and Administrative Fund

1. In terms of the STSMA Regulations the BC must draw up a 10 year maintenance plan. This involves everything and anything that is included in the structure e.g. wiring, piping, roofs, painting, tarring etc. The plan must give the item, its age and current state, what will have to be spent per year on maintaining the item over the next 10 years and the cost of eventually replacing said item.

2. The BC must create a **Reserve Fund** and have a MINIMUM of 25% of the previous years' levy income in the Reserve Fund.

If it is less than 25% they must, in the next budget, raise 15% of the previous year's levy income.

If the amount in the Reserve Fund at the end of the previous financial year is equal to or more than 100% of the contributions to the Administrative Fund there is no minimum contribution to the Reserve Fund.

If the amount in the Reserve Fund at the end of the previous financial year is more than 25% but less than 100% of the contributions to the Administrative Fund, the Reserve Fund must be at least the amount budgeted to be spent in the Administrative Fund on repairs and maintenance of common property in the financial year being budgeted for.

Directors: SE Lamont, JJ Jordaan, TT Spencer, JH Jordaan





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3. The budget must also include an **Administrative Fund** which is the budgeted amount for the administration, operations, repairs and maintenance, etc for the year budgeted for.

4. The trustees will have to report at each AGM on what has been attended to in respect of the 10 year maintenance plan, what not and, if not, why not.

There is no doubt that the above requirements will have a financial impact on the budget.

Proxies

5. No person may hold more than the **proxy of 2 owners**. The days of the Chairman holding enough proxies to ensure a quorum are GONE. Owners are going to have to start taking responsibility for their investment in Sectional title and participate at least in the AGM.

Quorum of a general meeting

6. A quorum is no longer a number **BUT 33.3% of the total votes of members in VALUE** of the scheme.

These are the items that will make an immediate impact on owners but of course there are more and as these are identified they will be brought to owners' attention

We will continue to keep you informed of the processes as we progress.

FIRST RESORTS MANAGEMENT TEAM.

Directors: SE Lamont, JJ Jordaan, TT Spencer, JH Jordaan



HOLE IN THE WALL SHARE BLOCK LIMITED
(Registration No.: 1983/060155/06)

NOTICE is hereby given of a **General Meeting** of the members of **Hole in the Wall Share Block Limited ("the Company")** to pass Special and Ordinary Resolutions which meeting is to be held at 1 Crompton Street, Pinetown, KwaZulu-Natal on **24 November 2016** at **15h00**.

AGENDA
FOR THE GENERAL MEETING

1. Welcome
2. Notice convening the meeting
3. Present, apologies and acceptance of proxies
4. To establish a quorum for the passing of a Special Resolution
5. Directors Report
6. Ordinary and Special Resolutions

To consider the explanatory memorandum in the Directors' Report and if deemed fit, to pass the following Special and Ordinary Resolutions, with or without amendments:

Special Resolution 1:

To convert the Authorised Share Capital of the Company from 26936 (Twenty Six Thousand Nine Hundred and Thirty Six) Ordinary Shares of R0.10 (Ten Cents) each to 26936 (Twenty Six Thousand Nine Hundred and Thirty Six) Ordinary Shares of no par value.

Special Resolution 2:

To increase the Authorised Share Capital of the Company from 26936 (Twenty Six Thousand Nine Hundred and Thirty Six) Ordinary Shares of no par value to 27456 (Twenty Seven Thousand Four Hundred and Fifty Six) Ordinary Shares of no par value by the authorisation of a further 520 (Five Hundred and Twenty) Ordinary Shares of no par value.

Special Resolution 3:

To increase the Issued Share Capital of the Company from 26624 (Twenty Six Thousand Six Hundred and Twenty Four) Ordinary Shares of no par value to 27456 (Twenty Seven Thousand Four Hundred and Fifty Six) Ordinary Shares of no par value by issuing a further 832 (Eight Hundred and Thirty Two) Ordinary Shares of no par value.

Ordinary Resolution:

That the Board of Directors be, and with the passing of the resolutions, are authorised to take such action/s to do all things as may be necessary to give effect to the Special Resolutions.

The explanation and effect of the Special Resolutions are attached hereto.



BY ORDER OF THE BOARD

Per: J J Jordaan

Registered Office

C/o First Resorts and Hotel Management (Pty) Limited
1 Crompton Street
Pinetown, 3610

Tel : 031 717 7593

E-Mail: estia@firstresorts.co.za

Date: 1 November 2016

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy need not be a Member of the Company.
2. Proxy forms, duly completed, should be returned so as to reach the registered office of the Company not less than **48 (forty-eight)** hours before the appointed time of the meeting.

HOLE IN THE WALL SHARE BLOCK LIMITED
(Registration No.: 1983/060155/06)

**DIRECTORS' REPORT TO THE MEETING IN RESPECT OF THE GENERAL MEETING
TO PASS SPECIAL AND ORDINARY RESOLUTIONS**

Dear Members,

Explanation of Special and Ordinary Resolutions

Recently the Board of Directors arranged for an accurate survey of the Company's property by a Land Surveyor.

Arising out of that survey it became apparent that there were two vacant plots on the property in respect of which shares had never been allocated in the past.

When the Company's Memorandum of Incorporation had been prepared and registered by the Companies and Intellectual Property Commission ("CIPC"), these two plots had not been identified and consequently, shares had never been allocated to those plots.

To regularise the situation the Board of Directors have resolved to issue the appropriate shares in respect of these plots. As with each of the other vacant plots, 416 shares are to be allocated to each plot. This will necessitate the increase in both the Authorised and Issued Share Capital of the Company.

However, in terms of the Companies Act 2008, authorised share capital of a company can only be increased if the authorised share capital consists of shares of 'no par value' as opposed to shares that have a par value, as is the case with the Company.

Note that the conversion of shares from par value shares to no par value shares does not in any way effect the rights of members.

Special Resolution 1 is to alter the Company's authorised share capital from shares of a par value of Ten Cents each to shares of no par value.

Special Resolution 2 is to increase the Company's authorised share capital to take account of the two plots referred to above.

Special Resolution 3 is to increase the Company's issued share capital to take account of the two plots referred to above.

Once the above Special Resolutions are passed, the acceptance of the Ordinary Resolution will enable the Directors and Company Secretary to draw the necessary applications and documents and to lodge same with CIPC.

Please read all the documents carefully and, should you require additional information, please contact the General Manager who will direct you to a Member of the Board who will explain the various resolutions in more detail.

In the event that you cannot attend the General Meeting, PLEASE COMPLETE THE ATTACHED PROXY FORM as your attendance and/or Proxy is vitally important for us to hold a successful meeting.



The Board of Directors
Hole in the Wall Share Block Limited

HOLE IN THE WALL SHARE BLOCK LIMITED

REG. NO. 1983/060155/06

FORM OF PROXY

I / We _____

(Name in block capitals)

of Unit No. _____ Week No. _____ being a member / members of

Hole in the Wall Share Block Limited and entitled to _____ votes, hereby appoint

_____ (ID No: _____)

of _____

or failing him/her, _____ (ID No: _____)

of _____

or failing him, the Chairman of the meeting, as my proxy to attend and vote on my / our behalf at the General Meeting of the Company to be held on **24 NOVEMBER 2016**, or at any adjournment thereof, as follows :

Agenda Item	For	Against	Abstain
Special Resolution 1: To convert the Authorised Share Capital of the Company from 26936 (Twenty Six Thousand Nine Hundred and Thirty Six) Ordinary Shares of R0.10 (Ten Cents) each to 26936 (Twenty Six Thousand Nine Hundred and Thirty Six) Ordinary Shares of no par value.			
Special Resolution 2: To increase the Authorised Share Capital of the Company from 26936 (Twenty Six Thousand Nine Hundred and Thirty Six) Ordinary Shares of no par value to 27456 (Twenty Seven Thousand Four Hundred and Fifty Six) Ordinary Shares of no par value by the authorisation of a further 520 (Five Hundred and Twenty) Ordinary Shares of no par value.			
Special Resolution 3: To increase the Issued Share Capital of the Company from 26624 (Twenty Six Thousand Six Hundred and Twenty Four) Ordinary Shares of no par value to 27456 (Twenty Seven Thousand Four Hundred and Fifty Six) Ordinary Shares of no par value by issuing a further 832 (Eight Hundred and Thirty Two) Ordinary Shares of no par value.			
Ordinary Resolution: That the Board of Directors be, and with the passing of the resolutions, are authorised to take such action/s to do all things as may be necessary to give effect to the Special Resolutions.			

(Indicate instruction to proxy by way of cross in space provided above).

Unless otherwise instructed, my proxy may vote as he thinks fit.

Signed this _____ day of _____ 2016

Signature

Assisted by me (where applicable)

DOMICILIUM

HOLE IN THE WALL SHARE BLOCK LIMITED
c/o FIRST RESORTS AND HOTEL MANAGEMENT (PTY) LTD
1 CROMPTON STREET
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3610

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email: estia@firstresorts.co.za

NOTE:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy need not be a member of the Company.
2. Proxies must be deposited at (delivered or faxed to) the offices of the Managing Agent not less than **48 (forty-eight) hours** before the appointed time of the meeting.